

So Ordered.

Signed this 22 day of December, 2017.



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Robert E. Littlefield, Jr.  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

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IN RE:	)	
LaFlamme's Inc.	)	
	)	Chapter 11
	)	Case No: 17-11739-1 rel
30-0126185	)	
9140 State Route 22	)	
Granville, NY 12832	)	
Debtor	)	

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INTERIM STIPULATION AND ORDER AUTHORIZING DEBTOR-IN-POSSESSION  
TO USE CASH COLLATERAL AND TO PROVIDE ADEQUATE PROTECTION  
PURSUANT TO SECTIONS 361 AND 363 OF THE BANKRUPTCY CODE

The Court hereby approves the Debtor's continued use of cash collateral on the terms set forth in this Second Interim Cash Collateral Order. The cash collateral Order granted on October 31, 2017 is referred to as the "First Interim Stipulation Cash Collateral Order".

It is hereby:

ORDERED, that the provisions of this Order shall apply *nunc pro tunc* to the period back to November 7, 2017; and that the provisions, requirements and terms of the First Interim Cash Collateral Order are incorporated in and made part of this Order except where explicitly overridden in this Order; and that any changes, amendments, modifications or additions made in

this Order apply for the period of November 7, 2017 through April 15, 2018 and after if continued by further Order.

It is further ORDERED that the following provisions are added to the “WHEREAS” section of the First Interim Cash Collateral Order:

- O. The Debtor is obligated to Avid Capital on account of that certain Demand Note in the original principal amount of \$250,000.00 dated February 22, 2012 (the “\$250,000.00 Note”) and that certain Demand Note in the original principal amount of \$100,000.00 dated October 5, 2012 (the “\$100,000.00 Note”).
- P. Avid’s security interest is subordinate to the security interest of People’s United Bank, National Association pursuant to that certain Subordination Agreement (the “Subordination Agreement”) dated October 23, 2015 and executed by Avid, the Debtor and People’s United Bank.
- Q. It should be noted, that while Avid has subordinated its security interest to People’s United Bank, it did not subordinate its interest to any other creditor, including Heritage Family Federal Credit Union.
- R. As of the Date of Filing, the aggregate amount due from the Debtor to Avid is \$256,995.02 on account of the \$250,000.00 Note and the \$100,000.00 Note.

It is further ORDERED that the Debtor shall provide to counsel for Avid, Peoples, and Heritage the following:

- (a) statements of its weekly income and expenses through October 31, 2017 on or before **December 15, 2017**;
- (b) statements of its weekly income and expenses for the period of November 1, 2017 through December 15, 2017 on or before **December 22, 2017**;
- (c) a weekly statement of its income and expenses beginning with the week ending December 22, 2017 and continuing each week thereafter while the Chapter 11 case remains pending, beginning on **December 22, 2017** and continuing each succeeding Friday while the Debtor’s Chapter 11 case remains pending;
- (d) a weekly inventory report for each week immediately following the Filing Date through December 15, 2017 on or before **December 15, 2017**;

- (e) a weekly inventory report for each week beginning with the week ending on December 22, 2017 on or before **December 22, 2017** and continuing each succeeding Friday while the Debtor's Chapter 11 case remains pending;
- (f) an amended and restated balance sheet to address the alleged discrepancy in reported inventory in the amount of \$84,916.43, on or before December 29, 2017.

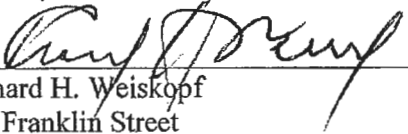
It is further ORDERED that the attached Exhibit B applies for the period from November 7, 2017 to April 15, 2018 in place of the Exhibit B attached to the prior Order. Payments are to be made by debtor strictly in accordance with this Order and the initial Order. Payments to be made by the due dates set out on the underlying loan documents or contracts or on the monthly anniversary date of when such bill originally came due, such as for taxes. The payments to Avid, Peoples, and Heritage constitute adequate protection payments and shall be paid on or before the following respective dates:

- (a) Avid- on the fifth day of each month for the payment due for the preceding month, with an initial payment for the month of December, 2017 due on or before January 5, 2018 and continuing on such day each month thereafter while the Debtor's bankruptcy case remains pending;
- (b) Peoples- on the 23rd day of each month beginning on December 23, 2017 and continuing thereafter while the Debtor's bankruptcy case remains pending;
- (c) Heritage- an initial payment for the month of December 2017 due on or before December 22, 2017 and thereafter on the 15<sup>th</sup> day of the month beginning on January 15, 2018 and continuing on such day each month thereafter while the Debtor's bankruptcy case remains pending;

It is further ORDERED that this Order may be continued without need for additional Motion by the filing of a stipulated continuation Order, approved by the debtor, Peoples, Heritage, and Avid.

Entry of the Second Interim Cash Collateral Order is Consented to by:


**THE DELORENZO LAW FIRM**  
Attorneys for Debtor LaFlamme's Inc.

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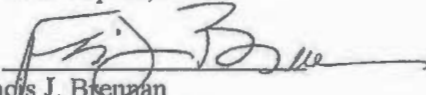
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Exhibit B to the Cash Collateral Order for the period 11/07/2017 to 04/15/2018

LaFlamme's Inc.						
Cash Flow Forecast - 2017						
	Forecast	Forecast	Forecast	Forecast		Forecast
	12/15-1/14	01/15-2/14	2/15-3/14	3/15-4/14		AVG
<b>Cash Sources</b>						
From sales of inventory *	\$69,524.90	\$87,565.37	\$89,466.52	\$93,244.59		\$84,950.35
Rent	\$5,150.00	\$5,150.00	\$5,150.00	\$5,150.00		\$5,150.00
						\$0.00
<b>Total Cash Sources</b>	<b>\$74,674.90</b>	<b>\$92,715.37</b>	<b>\$94,616.52</b>	<b>\$98,394.59</b>		<b>\$90,100.35</b>
	Payments/Expenses					\$0.00
Priority	<b>Cash Uses</b>					
1	Taxes - Sales and Use	\$4,519.12	\$5,691.75	\$5,815.32	\$6,060.90	\$5,521.77
2	Mortgages to People's both locations	\$4,937.00	\$4,937.00	\$4,937.00	\$4,937.00	\$4,937.00
3	People's LOC Debt	\$1,198.20	\$1,198.20	\$1,198.20	\$1,198.20	\$1,198.20
4	payment against Peoples post-petition LOC arrears	\$250.00	\$250.00	\$250.00	\$1,376.00	\$531.50
5	payment against Peoples post-petition Term Loans arrears	\$750.00	\$1,750.00	\$3,750.00	\$3,624.00	\$2,468.50
6	Taxes (only) - Bennington	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
7	Wells Fargo	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
8	AVID	\$2,350.00	\$2,350.00	\$2,350.00	\$2,350.00	\$2,350.00
9	Heritage Debt	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
10	payment against Avid and Heritage post-petition arrears	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00
11	VT Debt (Lease Payment through West Shore)	\$1,212.04	\$1,212.04	\$1,212.04	\$1,212.04	\$1,212.04
12	Heritage Truck Loan	\$438.45	\$0.00	\$0.00	\$0.00	\$109.61
13	Inventory (Merchandise)	\$33,457.70	\$42,658.34	\$43,627.93	\$45,554.74	\$41,324.68
14	Payroll & employee reimbursement including payroll tax (pay roll company)	\$19,432.69	\$19,432.69	\$19,432.69	\$19,432.69	\$19,432.69
15	Insurance - personal property (inventory) and Commercial General Liability	\$1,939.18	\$2,291.25	\$0.00	\$0.00	\$1,057.61
16	Equipment rental	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00
17	Repairs/Maintenance	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
18	Legal/accounting/other professional	\$100.00		\$100.00		\$50.00
19	Vehicle expenses	\$725.00	\$725.00	\$725.00	\$725.00	\$725.00
20	Office Expense	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
21	Utilities	\$3,300.00	\$3,300.00	\$3,300.00	\$3,300.00	\$3,300.00
22	Lease Payment (Rutland Location)	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
23	Health Insurance	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00
24	Advertising	\$2,085.75	\$2,626.96	\$2,684.00	\$2,797.34	\$2,548.51
25	Removal of used furniture	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$500.00
26	Misc.	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
	<b>Total Cash Uses</b>	<b>\$86,433.12</b>	<b>\$97,161.23</b>	<b>\$99,120.17</b>	<b>\$101,305.91</b>	<b>\$96,005.11</b>
						\$0.00
	<b>Net Cash Flow</b>	<b>-\$11,758.22</b>	<b>-\$4,445.86</b>	<b>-\$4,503.65</b>	<b>-\$2,911.32</b>	<b>-\$5,904.76</b>

intercreditor